



E-Commerce's Prospects in India

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Abstract

E-commerce, or conducting business electronically and online, is the abbreviation for electronic commerce. E-commerce has fundamentally altered the traditional understanding of business. E-commerce pertains to the exchange of products and services between buyers and sellers via computer networks and the internet. As a result, the objective of this study was to comprehend the development and growth of e-commerce in India, as well as the prevailing trends in the industry. This study employs a qualitative research methodology and conducts a comprehensive literature review to comprehend the extent, progression, and evolution of electronic commerce in India, taking into account the prevailing trends that fuel industry expansion. Moreover, the results of this research suggest that electronic commerce will experience consistent and swift expansion in India. Additionally, these studies show that e-commerce provides wholesalers, retailers, producers, and individuals with a wide range of opportunities.

Keywords: E-commerce, Internet, Trends, Industry.

Objectives:

- To provide a comprehensive comprehension of the development and growth of e-commerce in India.
- To present an overview of emerging trends in electronic commerce.
- To deliberate on the prospective trajectory of electronic commerce in India.
- To Propelled by rising smartphone penetration, that launch of 4 G networks and increasing consumer wealth
- The Indian e-commerce market is expected to grow to US\$ 200 billion by 2026 from US\$ 38.5 billion in 2017.

Introduction:

Electronic commerce (E-commerce) primarily encompasses the activities of marketing, allocating, selling, procuring, and servicing products and services via computer networks and electronic systems, such as the Internet. Electronic commerce generally refers to the conduct of business through one of a variety of electronic means, typically involving the connection of computers, the internet, or both. E-Commerce encompasses not only technology per se, but also the process of conducting commerce through technology. E-commerce encompasses a variety of activities, including electronic fund transfers, corporate purchasing, value chain integration, and supply chain management. It also includes e-marketing and online transaction processing. Ecommerce creates novel avenues for generating revenue via digital transactions. Facilitating cooperation among diverse groups, businesses, and information sharing is advantageous for fostering positive customer relations, increasing personalization, improving customer services, developing new products or services, and more. The advent of information technology has fundamentally transformed the way in which we conduct business. It was transferred from conventional to electronic commerce, from paper or postal invoices to electronic invoices, and from paper or money checks to electronic payment systems.

Major type of E-Commerce Growth

1. Business-to-Business (B2B)
2. Business-to-Consumer (B2C)
3. Consumer-to-Consumer (C2C)
4. Consumer-to-Business (C2B).
5. Business-to-Administration (B2A)
6. Consumer-to-Administration (C2A)



Research Methodology:

This paper conducts a comprehensive literature review by utilizing secondary data obtained from a variety of pre-existing sources, including published references (e.g., articles, books, newspapers, national and international journals, magazines, annual reports, government and non-government publications, company official websites, and more).

Review of Literature:

Mahipal, D., (2018) An examination of various stages of the internet spanning from 1995 to the present day. In addition, the study concludes that tremendous progress will be made in the future years, assuming legal and electronic commerce security, so that domestic and international trade can expand.

Kumar, N., (2018) This paper discusses the author's assessment that e-commerce is expected to experience fourfold development by 2021 relative to 2015. Internet users and smartphones, heightened public awareness, superior internet services, digitalization of the majority of initiatives with government support, entry of business players and foreign investors, and the availability of advanced payment options for consumers will be the primary contributors to this growth. Nonetheless, it is crucial that the government adopt measures to establish an appropriate legal framework and reduce development-related complications.

Seth, A., Wadhawan, N., (2016) explains that merchants must depart their borders in a systematic manner in order to adapt to the new digital business era. Digitalization is now an absolute necessity for all retailers and is no longer a matter of choice. This may involve altering strategies, solidifying innovative investments, and staying informed about recent developments.

Shahjee, R., (2016) states that an internet business has given a stage to organizations to show their fluctuated items and to make it simple for buyers to rapidly discover results of their premium, which was relatively troublesome by showcasing generally. Be that as it may, in actuality, online business is confronting part of troubles identified with infrastructural abilities and PC and web absence of information among customers, particularly country buyers.

Shettar, M., (2016) It is currently advised that organizations require legitimate information and comprehension of the legal system as well as every conceivable issue and risk that may arise. The burgeoning online business sector in India has attracted the interest of global participants. As the number of SMEs, FDI, and MNCs increases, consumers are granted an increasing number of employment opportunities, thereby increasing their purchasing power.

Mitra (2013) emphasizes the importance of online commerce, stating that it represents the future of purchasing and spending. The public authority should provide assistance with legal frameworks so that businesses can broaden their perspectives and implement innovative and strategic policies, in addition to engaging in exchanges.

Goele, S., Chanana, N., (2012) The authors of the study indicate that certain industries, including travel and the travel sector, electronics, equipment, and apparel, will experience significant growth in the near future due to the implementation of online business models. Several factors will contribute to this development, including M-trade, alternative guarantees, customized payment methods, coordination and delivery options, product quality standards, and customer support services.

Future of E-Commerce in India:

The Internet business sector is experiencing rapid growth in India. The number of internet users in India is currently only 400 million, which is considerably smaller than developed nations worldwide; however, it is steadily increasing. The rapid expansion of electronic commerce in India can be attributed to the widespread availability of mobile phones and internet access. In addition, favorable demographics and government initiatives toward digitalization contribute to the expansion of India's e-commerce sector. Presently, the retail industry is one of the most



rapidly expanding sectors in India, and this trend is anticipated to continue in the foreseeable future.

Table 1.2 and Graph 1.2 show the growth of ecommerce sales from 2015 to 2023.

Table No. 1.1

E-Commerce Sales in Billion US Dollars (2015-2023)	
2015	12.20
2016	16.07
2017*	20.10
2018*	24.92
2019*	31.16
2020*	38.07
2021*	45.16
2022*	100
2023*	110

Source: (Statista, 2017) The Free Encyclopedia

Graph No. 1.1

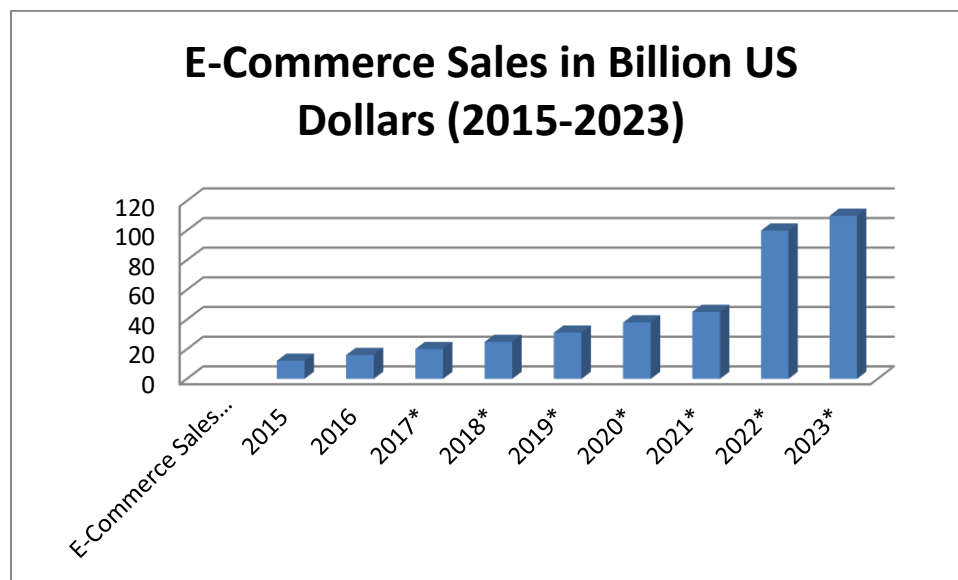


Table 1.1 and From 2015 to 2023, the expansion of e-commerce sales is illustrated in Graph 1.1. The data in the table and graph indicate a discernible upward trajectory in e-commerce sales. The amount increased from \$12.19 billion in 2015 to \$16.08 billion in 2016. Additionally, its growth is anticipated to accelerate in the future years. The projected revenue for 2023 is 45.17 billion dollars, representing nearly four times the sales figure of 2015.

As of July 2019, India boasts a substantial online user base of approximately 475 million, constituting 45% of the domestic population. The largest e-commerce platforms in India in 2016 were Snapdeal, Amazon, Myntra, Flipkart, and Myntra. Amazon surpassed Flipkart in 2019 to become the highest-grossing online retailer in India in terms of revenue.

Presently, we are immersed in the era of online commerce, which has emerged from traditional trade. The web-based enterprise is arguably the most significant factor that has caused a storm in the industry. It is establishing an entirely new economy, which possesses tremendous potential and is fundamentally altering the way in which businesses are conducted. In this article, we examine the emerging trends in the online business sector. In this article, we attempt to analyze recent e-commerce trends. They are as follows.



E-commerce Trends:

The Number of a few E-Commerce trends for 2023 that you need to look out for.

1. Online Sales Growth is Unstoppable
2. Online Marketplace
3. Mobile Shopping is growing
4. Rise of Voice Commerce
5. Increase in Mobile Payments
6. Environmental Topics Influence Buyers
7. Environmental Topics Influence Buyers
8. Research the Basics of Ecommerce Business
9. Hyperlocal Marketplace
10. Live Streaming Shopping
11. Group Purchase
12. Contactless Delivery
13. AR Based Shopping-PWA Scan & Go
14. Social Commerce

In reality, the landscape of online business has witnessed a significant surge in 2023. Moreover, the global community has embraced the business concepts of online retailers, and with more than 1.92 billion people making purchases online, a web-based retailer has access to a vast pool of potential customers. This renders it a worthwhile endeavor for individuals seeking to generate a respectable form of income.

The Development of M-Commerce **Mobile commerce**, which is also referred to as wireless e-commerce, encompasses all financial transactions concluded through a mobile device, including the purchase and consumption of products and services.

E-commerce utilizing AI—To generate conversions and deliver a personalized experience—continues to be the primary objective of all e-commerce enterprises. AI is granted the authority to augment and personalize any specialized data or client information. It is possible to optimize inventory management and automate customer service.

The current online store should be operational across multiple channels and be accessible 24 hours a day. By automating customer service, Web-based businesses can conserve resources such as time, money, and personnel. Additionally, by preventing personnel from undertaking repetitive inquiries, they are able to focus on more complex requests. Personal assistants or conversation bots powered by computer-generated intelligence may unquestionably be concerned with the burden of recording every inquiry.

The Hyperlocal Market: It facilitates the connection between consumers and local retailers within the same geographic region; in common parlance, this is referred to as a "hyperlocal on-demand delivery service."

Recently, everyone has been attentive to a pandemic situation known as Coronavirus. Due to crisis lockdowns implemented in different regions across the globe, there were individuals confined to their residences without assistance from household staff. Under such conditions, Hyperlocal Administrations achieved rapidity and provided services to a substantial clientele across the globe. In times of urgent need, their requirements might be fulfilled by hyperlocal services.

For instance, individuals with the ability to prepare meals could place orders for food online via food delivery applications such as Zomato. Those who experienced a shortage of goods could request them via the application from nearby retailers, and the requested items would be conveniently delivered to their residences.

According to a study, the market for hyperlocal marketplace services was worth \$1,324.2 billion in 2019. Projections indicate that this figure will increase to \$3,634.3 billion by 2027, expanding at a CAGR of 17.9% between 2023 and 2027.

AR-Powered Retailing via PWA Scan & Go: PWA Scan & Go is one of the most distinguished innovations that facilitates the sale of Magento PWA Studio products. It enables clients to purchase and remit payment for the products effortlessly via a scanned procedure. The barcode of the product must be detected utilizing the Progressive Web App that is constructed upon the Magento Store platform.



Group Buy (Collective Purchase): By employing this feature, a collection of customers can collectively complete a purchase. The primary rationale for this element is to enable individuals to recommend products and services to their acquaintances, relatives, friends, and so forth. Furthermore, they can obtain and benefit from a variety of attractive limits by recommending the products to others and purchasing them at attractive limits.

Social Enterprise: Social Commerce or Social Online businesses, as their name suggests, utilize digital media platforms to provide customers with a personalized in-application purchasing experience. To put it simply, it establishes a connection between online business utility and web-based media platforms. It is evident that you would recommend and distribute the products and services of your organization through online marketplaces. Additionally, your image becomes more transparent, given that the purpose of web-based media is to disseminate content.

The Impact of COVID-19 on E-commerce in India:

The global dissemination of the Coronavirus pandemic has significantly disrupted consumer behavior and perceptions regarding online commerce. As a result of the widespread implementation of closure regulations in India and the increasing reluctance of consumers to venture outside in quest of essential goods, the nation has transferred its focus to online commerce. Consumers have transitioned from brick-and-mortar establishments, general stores, and retail centers to online marketplaces to purchase goods, including branded merchandise as well as essential items.

Social segregation has been the norm since nearly the entire year of 2020; consequently, the volume of online purchases and online businesses is anticipated to soar. A considerable number of individuals are embracing the concept of e-commerce, as evidenced by the influx of FTUs (First Time Customers) to online business platforms.

The coronavirus has been notably distinct from anything we have ever before observed. Amidst the global shutdown, it is safe to assert that online commerce emerged as a saving grace, enabling numerous individuals to remain at home and acquire necessities directly to their doorsteps.

"Customers want to avoid stepping out unless it's very critical. We are helping customers who are stuck in that situation, and we are able to play a small part in helping (cater) to their needs," – Gopal Pillai, Vice President for Seller Services at Amazon India.

According to the IBEF, the online business market in India is anticipated to reach \$200 billion by 2026, up from \$30 billion in 2017. Additionally, the report predicts that by 2034, the Indian online business sector will have surpassed its American counterpart and become the second-largest online business market globally.

E-commerce Trends Leading the Way: The biggest ecommerce trends and see where things are headed.

AR improves the actual experience of online purchasing.

Voice search will become an increasingly prevalent practice in the future.

3. AI assists retailers in gaining knowledge about customers.

4. On-site personalization generates individualized experiences based on these insights.

5. Big data is heavily involved in the development of personalized experiences.

6. Chatbots enhance the experience of purchasing.

7. Mobile commerce continues to evolve.

8. More payment options.

9. API-driven and headless ecommerce facilitates ongoing innovation.

Customers are receptive to videos 10.

11. Subscriptions foster customer retention.

12. Sustainability is gaining in significance.



13. Organizations must optimize their digital conversion strategies
11. Augmented reality improves the experience of online shopping: Augmented reality (AR) has revolutionized the ecommerce industry. This type of technology enables consumers to see the item in its entirety, thereby assisting them in making an informed purchase decision. AR significantly transforms the retail experience in certain sectors, including home decor and fashion, by allowing customers to virtually examine an item to get a better feel for it before purchasing it. Gartner predicted in 2019 that one hundred million consumers would utilize augmented reality to make purchases by 2020; therefore, it will be intriguing to observe the implementation of this forecast in the coming year.
2. Voice search will experience an increase in volume: As the number of individuals owning smart speakers increases, they also rely on voice assistants to complete routine tasks. 75% of American households, according to Circle K Adventures, will possess a sophisticated speaker by 2025. With the proliferation of smart speakers in households, an increasing number of consumers will utilize voice search to make online purchases, place food orders, and organize their schedules. The emergence of voice search provides online business organizations with greater flexibility with regard to keyword selection and content.
3. Artificial Intelligence (AI) facilitates shop owners' understanding of customers: The combination of AI and artificial intelligence enables customers to have automated, personalized purchasing experiences. Simulated intelligence continuously accumulates data regarding a customer's purchasing behavior, including the time of purchase, the specific attributes they seek in a product or service, and more. It is a unique and unparalleled innovation that is not readily replicable.
4. On-site personalization generates individualized experiences based on these insights: Diverse categories of consumers, including B2C and B2B clients, are seeking personalized, individualized purchasing experiences online. The data acquired through simulated intelligence is what enables a customer to receive tailored product recommendations and specific customer service. There is evidence that implementing personalized experiences in-store or during marketing campaigns has a significant impact on revenue; one study found that retailers who scaled up their personalization capabilities saw a 25% increase in revenue.
5. Big data facilitates the development of personalized experiences: In the present era, a growing number of consumers are cognizant of the fact that online commerce platforms are amassing personal data, thereby exposing them to potential risks. In this manner, experts have held divergent opinions regarding the benefits of massive amounts of data and its implications for personalized purchasing.
6. The integration of chatbots into the purchasing experience resembles the interaction between an in-store offers associate and an online consumer. Customers of today expect to be able to locate and purchase an item with just a few strokes; if this is not possible, they become dissatisfied. At this juncture, the employment of a chatbot could potentially seal the transaction.
7. Mobile purchasing continues to evolve: Versatile shopping enables customers to complete purchases from any location, a critical capability in the current era. Statista predicted in 2019 that by the end of 2023, 73% of online business transactions will occur via mobile device.
8. Expanding payment options: Providing a diverse range of payment methods is a viable strategy to increase conversion rates on mobile devices. Additionally, should customers choose to store their payment information on your website, they will be able to complete the purchasing process significantly more quickly during their subsequent purchase.
9. API-driven and headless ecommerce facilitates ongoing innovation: Headless business is a solution that completely decouples the web-based business stage of an online store from the



frontend display layer. An increasing number of web-based business organizations are adopting headless technology due to its backend flexibility, as well as its additional functionalities for website optimization, content advertising, and digital experience.

10. Reactions of customers to videos: Video has emerged as an exceptional medium for engaging with clients in 2019, and this trend shows no signs of abating in the foreseeable future. Creating videos for your website is an excellent way to interact with a customer in an instant and provide them with information about your product or service.

11. Customer Retention Through Subscriptions: In the present day, a variety of membership types exist, and their accommodations are attractive to purchasers. Membership administrations facilitate organizations' preparation for now-secured stock and transactions.

12. The significance of sustainability is increasing: Both consumers and organizations are developing a heightened awareness of the climate. In this way, consumers are generally more informed regarding the locations they patronize and the subsequent environmental and related consequences. According to one summary, half of the respondents desired greater manageability in the design industry, while 75% desired less bundling. A multitude of organizations are exploring methods to enhance their environmental friendliness, such as eliminating paper usage whenever feasible, employing biodegradable packaging, and utilizing recyclable materials.

13. Companies ought to optimize their digital strategies for conversion: While it is one thing to attract potential customers to a website, it is quite another to convince them to make a purchase. Organizations aspire to increase their conversion rates in 2020 through the enhancement of their product pages. Multi-channel selling represents an additional method of generating conversions, irrespective of whether it be through purchasing advertisements on Google or Facebook publicizing.

14. B2B is evolving and expanding: If one had ever been concerned that B2B would lose its fashionable status, they should not worry. Global B2B e-commerce online retail transactions are anticipated to reach \$1.1 trillion by 2023, according to data from Statista.

Conclusion:

Ecommerce is experiencing an abundance of novel developments. Individuals and innovation are in a constant state of evolution; since ecommerce unifies everything, we will perpetually be anticipating the future. Electronic commerce has facilitated purchasing. India's e-commerce sector is expanding at an accelerated rate despite facing numerous obstacles. Presently, the e-commerce sector is one of the most rapidly expanding industries in India. By 2023, ecommerce industry sales are anticipated to have nearly quadrupled compared to 2015. The proliferation of smart phones and internet users, the advent of 3G/4G internet services, public awareness, government initiatives promoting digitalization, advancements in transportation and payment methods, and the admission of foreign e-business actors have all contributed to this unprecedented growth in e-commerce. The government should implement measures to establish a suitable legal structure in order to minimize obstacles to the expansion of electronic commerce.

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